

**TWELFTH ANNUAL REPORT
2001-02**



NILA INFRASTRUCTURES LIMITED

NILA INFRASTRUCTURES LIMITED

BOARD OF DIRECTORS

Shri Manoj B. Vadodaria	:	<i>Chairman & Managing Director</i>
Smt Nila M. Vadodaria	:	<i>Director</i>
Shri Hiren Pandit	:	<i>Director</i>
Shri Yagnesh Vyas	:	<i>Director</i>

BANKERS

IndusInd Bank Ltd., Ahmedabad
State Bank of India, Ashram Road, Ahmedabad

AUDITORS

O.P.Bhandari & Co.
Chartered Accountants
Ahmedabad

REGISTERED OFFICE & SHARE TRANSFER DIVISION

61, Adarsh House,
B/h. Asia House, Nr. Swastik Char Rasta,
Navrangpura, Ahmedabad-380009.

REGISTRARS FOR DEMAT

MCS Limited
101 Shatdal Complex 1st Floor
Opp Bata Show Room
Ashram Road
Ahmedabad - 380 015

The ISIN allotted to the Company
is **INE937C01011**

Contents	Page No
Notice	1
Directors' Report	1
Management Discussion & Analysis	2
Corporate Governance Report	3
Auditors' Report	5
Balance Sheet	6
Profit & Loss A/c	7
Schedules	8
Cash Flow Statement	12

12TH ANNUAL REPORT

NILA INFRASTRUCTURES LIMITED

N O T I C E

NOTICE is hereby given that the 12th Annual General Meeting of the Members of the Company will be held on Monday, 30th September, 2002, at 10.00 a.m. at Sambhaav House, Bodakdev, Ahmedabad - 380 015, to transact the following ordinary business: -

- 1 To receive, consider and adopt the Balance Sheet as at 31st March, 2002 and Profit & Loss Account of the Company for the year ended on that date together with the Reports of the Auditors and Directors thereon.
- 2 To appoint a Director in place of Shri Hiren Pandit, who retires by rotation and being eligible offers himself for re-appointment.
- 3 To appoint Auditors to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board

Manoj B Vadodaria
Chairman

Date: 23-08-2002
Place: Ahmedabad

Registered Office:
61, Adarsh House,
Swastik Char Rasta,
Navrangpura,
Ahmedabad 380 009

NOTES :

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. Proxies in order to be effective should be lodged with the Company at the Registered Office of the Company atleast 48 hours before the commencement of the Meeting.
- 2 The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 23rd September, 2002 to Saturday, 28th September, 2002 (both days inclusive).
- 3 A member desirous of getting any information on the accounts or operations of the Company is required to forward his/her queries to the Company at least 7 days prior to the Meeting so that the required information can be made available at the Meeting.
- 4 Members are requested to immediately notify any change in their address with pin code and to quote their Folio Nos. in all correspondence with the Company.
- 5 As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting.

DIRECTORS' REPORT

To,
The Members,
NILA INFRASTRUCTURES LIMITED

The Directors have pleasure in placing before you the Twelfth Annual Report with the Audited Accounts of the Company for the year ended 31st March, 2002.

FINANCIAL RESULTS

Particulars	Year ended 31-03-02	Year ended 31-03-01
Income from Operations	530.48	533.16
Total Expenditure	16.99	22.85
Interest	<u>506.40</u>	<u>500.30</u>
Profit before Tax & Depreciation	7.09	10.01
Depreciation	<u>2.53</u>	<u>3.42</u>
Profit before Taxation	4.56	6.59
Provision for Taxes	0.11	2.18
Prior period IT provision adjusted	<u>13.26</u>	<u>-----</u>
Net Profit /(Loss)	(8.81)	4.41
Paid-up Equity Share Capital	1232.26	1232.26
Reserves (excluding revaluation reserves)	764.38	773.32

OPERATIONS DURING THE YEAR

During the year under review, the after effects of the earthquake rendered the market conditions unfavourable for the development of your Company's business. However, the long presence in the local market has ensured that the Company could continue to operate on a moderate scale. As indicated above the Company could achieve a modest profit before taxes of Rs. 4.56 Lacs. In order to conserve the resources of the Company, your Directors do not recommend payment of dividend.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 217 of the Companies Act, 1956, the Directors state:

- 1 That in the preparation of annual accounts, the applicable accounting standards had been followed along with proper examination relating to material departures
- 2 That the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period
- 3 That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities
- 4 That the directors had prepared the annual accounts on a going concern basis

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DIRECTORATE

Pursuant to provisions of Section 256 of the Companies Act, 1956, Shri Hiren Pandit, Director of the Company, is due to retire at the ensuing Annual General Meeting of the Company and is eligible for reappointment.

DEPOSITS

During the year under review, your Company has not accepted / renewed any deposits covered under the provisions of Section 58A of the Companies Act, 1956.

DEMATERIALIZATION OF EQUITY SHARES & LISTING

The Equity Shares of the Company are presently listed at The Stock Exchange, Ahmedabad and The Stock Exchange, Mumbai. The annual listing fees for the financial year 2002-2003 have been duly paid to these Stock Exchanges. The Company's Equity Shares are under 'Compulsory Demat'. The Company has entered into Tripartite Agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through M/s MCS Limited, Electronic Registrars appointed by the Company, for dematerialization of Equity Shares of the Company.

CORPORATE GOVERNANCE

The Company has implemented the procedure and adopted practices in conformity with the Code of Corporate Governance as enunciated in Clause 49 of the Listing Agreement with the Stock Exchanges. The Management Discussion & Analysis and Corporate Governance Report are made part of the Annual Report. A certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance is given in Annexure I, which is attached hereto and forms part of the Directors' Report.

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO

The provisions of clause (e) of sub-section (1) of Section 217 of the Companies Act, 1956 relating to disclosure of particulars of energy conservation, technology, absorption and foreign exchange earnings and outgo read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable to the Company.

EMPLOYEES

There was no employee during the year drawing remuneration in excess of the ceilings prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

AUDITORS

The present Auditors, M/s O P Bhandari & Co., Chartered Accountants, retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

ACKNOWLEDGEMENT

The Directors thank the Company's Banker for the help and co-operation extended during the year. The Directors also deeply acknowledge and appreciated the continued trust and confidence reposed by the shareholders of the Company.

By Order of the Board

Manoj B Vadodaria
Chairman

Place : Ahmedabad
Date : 23-08-2002

MANAGEMENT DISCUSSION & ANALYSIS**INDUSTRY STRUCTURE AND DEVELOPMENTS**

The Company is a part of the highly competitive real estate / construction industry. The performance of this industry has been adversely affected in the past few years due to depressed market conditions. The earthquake of 2001 has further affected the working of the players in this industry in the State of Gujarat. The Government has initiated various steps to give a boost to the industry in the coming years.

PERFORMANCE

During the year under review, the after effects of the earthquake rendered the market conditions unfavourable for the development of your Company's business. However the presence in the local market during the last decade has ensured that the Company could continue to operate on a moderate scale.

OPPORTUNITIES AND THREATS

The Company has been presently engaged in development of residential societies as well as funding companies engaged in real estate development. Considering the various incentives declared by the Central Government under direct tax laws for housing finance, the industry is expected to revive and grow rapidly in coming years. The Company is well positioned to encash on these opportunities. At the same time, the restrictions imposed by the State Government and High Court in the State of Gujarat due to the earthquake and floods, other natural calamities and riots witnessed in the recent year/s have an impact on the margins. However, the Company expects very bright future of this industry.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper, strong, independent and adequate system of internal controls to ensure that all the assets are safeguarded, protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly. The internal control systems are also designed to ensure that the financial and other records are reliable for reporting financial statements and other data, and for maintaining accountability of assets.

HUMAN RESOURCES

Considering the nature of business engaged in by the Company, the Company has on its payroll only four regular employees. As and when required for its activity the Company has been engaging suitable contractors / professionals for execution of various jobs. The industrial relationship has been cordial.

There have been no transactions of a material nature of the Company with its promoters, Directors or their relatives except for transactions of a routine nature as disclosed in the notes on accounts, and accordingly no potential conflict with the interest of the Company.